

HEALTH CARE FOR ALL! ONE-PAGE SUMMARY

To view the whole plan, see <http://www.healthcareforall.com> Please send your written comments or concerns ASAP to: The Maryland Citizens' Health Initiative; 2600 St. Paul St; Baltimore, MD 21218; phone: 410-235-9000; fax: 410-235-8963; email: plan@healthcareforall.com

Our October 2003 plan provides a blueprint that Maryland can follow to achieve a market-based, fair, responsible, and economically sound universal health care system. The plan builds on the strengths of our existing private and public-sector systems. It also finds medical homes for over 600,000 uninsured Marylanders. The plan is:

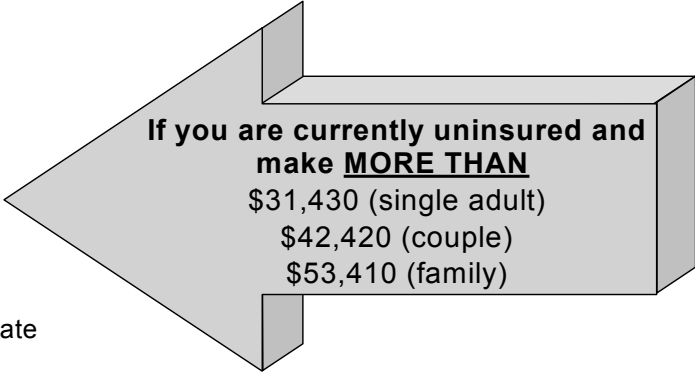
- **Universal** – All Marylanders will have access to quality and affordable health coverage.
- **Built on private sector coverage** -- The goal of this plan is to expand coverage in the private sector whenever possible. Public coverage is the default option only for those for whom no private coverage is available. Fully 80% of all health care coverage will stay in the private sector under our plan.
- **Fair** – All employers and individuals in our state must make a “fair share” contribution to achieve health care for all. Employers who now provide health insurance are significantly subsidizing those who do not. This plan eliminates this subsidy by creating a financial incentive for employers to begin offering quality, affordable health care to their employees. Individuals who cannot pay their hospital bills are a drain on the entire system. Under our plan, all residents of the state will now have a responsibility to purchase health insurance coverage or contribute to a fund for the uninsured.
- **Responsible** – The plan does not rely on state general fund revenue to support it. It does not create large new bureaucracies. It is completely funded by charging fair premiums to those newly insured, maximizing matching funds from the federal government, reallocating funds from existing programs for the uninsured, increasing the state tobacco tax, and collecting employer health care contributions from non-participating businesses.
- **Smart** -- This plan will improve the quality of life and health of every person living in Maryland. It will also save all those who currently pay hospital bills -- employers, Medicaid, Medicare, etc. -- roughly \$200 million in reduced hospital charges alone. This could, in turn, reduce premiums for all currently insured Marylanders.

HOW WILL THE UNINSURED GET CARE?

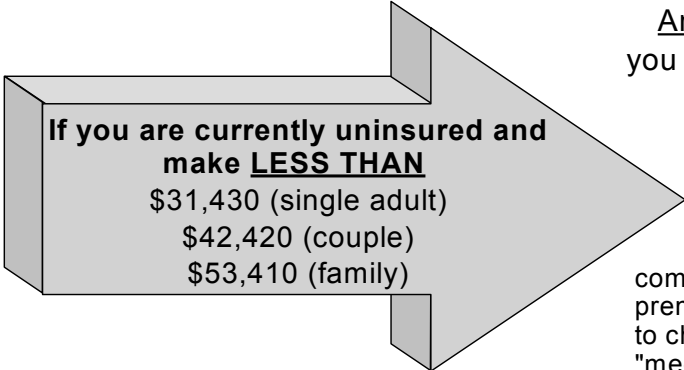
You are eligible for the:

Small Group Market

comprehensive benefits, more affordable than individual market, cannot be refused coverage if too sick, cannot be cancelled if too sick, costs for enrollees and businesses are regulated, program already serves over 450,000 people, private sector coverage



If you are currently uninsured and make **MORE THAN**
\$31,430 (single adult)
\$42,420 (couple)
\$53,410 (family)



If you are currently uninsured and make **LESS THAN**
\$31,430 (single adult)
\$42,420 (couple)
\$53,410 (family)

And your employer does not offer you an affordable and comprehensive health care plan...

MdCare (adults)
MCHP (existing kids program)

comprehensive benefits, affordable premiums, MdCare enrollees have freedom to choose both primary care provider (e.g., "medical home") and any specialists that are needed

IN ADDITION, WE PROPOSE:

- ◆ **Expanding the Small Group Market** to include Maryland businesses that employ 100 or fewer people, their employees, and currently insured Marylanders participating in the individual (non-group) market.
- ◆ **Requiring every Maryland business to contribute** by paying a 4.5% payroll contribution to help care for the uninsured (8% if the business employs more than 10,000 workers). The contribution will be reduced by the amount businesses spend on health care (up to 4.5% payroll or 8% payroll) and will only apply on earnings of up to \$87,000 per employee. In the out years, the fair-share contribution could rise to 6% if health care costs rise and if program costs are not further restrained.
- ◆ **Requiring every Maryland resident to contribute** by purchasing quality and affordable health care from their employer or some other private/public source. Higher income residents who choose to go without health care will pay a tax penalty (~ \$600 for individuals and \$2600 for families) to help care for the uninsured.
- ◆ **Reducing the cost of prescription drugs** for seniors and others without a drug benefit; for the uninsured through MdCare, for public health benefit programs (e.g., Medicaid); and for county/municipal government benefit plans by creating a public negotiating pool. Discounts on out-of-pocket costs for seniors will be up to 35% on most drugs. Savings for those who have prescription benefits will return to their benefit program.
- ◆ **Keeping the state's largest health insurer -- CareFirst BlueCross BlueShield -- a non-profit** entity and reforming it to better serve the public and its subscribers.

WHAT IS MDCARE? -- An independent, quasi-public, health insurer that is accountable to its enrollees, providers and the general public. Clinicians will provide services directly (not through managed care companies). In addition, MdCare will offer care management, quality improvement, and cost containment services to its enrollees and providers.

WHAT DOES THE MDCARE BENEFITS PACKAGE COVER? In addition to benefits covered by most private health insurers (e.g., inpatient and outpatient care), MdCare will cover: preventive services; prescription drugs; preventive dental services and partial coverage for corrective dental services; mental health services at parity with physical health services; inpatient and outpatient substance abuse treatment; smoking cessation services; & hearing aids.

WHAT WILL MDCARE COST ENROLLEES? Enrollees who make less than \$17,960 (single adult), \$24,220 (couple) or \$30,520 (family) will pay nothing. The per person premiums for higher incomes range from 1.75% to 2.5% of family income. Anyone making over \$31,430 (single adult), \$42,420 (couple) or \$53,410 (family) cannot enroll in MdCare.

WHAT IS MCHP? – The Maryland Children’s Health Insurance Program currently provides comprehensive care to over 100,000 children in Maryland. Under our plan, all Maryland children and their parents can enroll in MCHP. Premiums increase as family income increases up to the whole cost of the policy. See <http://www.dhmf.state.md.us/mma/mchp/>

WHAT IS THE SMALL GROUP MARKET? – For the past ten years, the small group market has given small employers the opportunity to offer quality, affordable health care to their employees. Under our plan, the benefits of this market including group purchasing power and market protections will be available to all families in Maryland. For more information on the plan (pre-expansion), see http://www.mhcc.state.md.us/smgrpmtk/cshbp_brochure.htm

HOW WILL WE PAY FOR HEALTH CARE FOR ALL? According to the Lewin Group, the net state public sector cost for our plan will be \$850 M (see below). Note, the Lewin Group did not study the amount of savings from our planned prescription program so the net state cost will be somewhat lower. The plan does not create large, new bureaucracies to service all the uninsured and private sector health care increases under the plan. We propose funding the plan with:

- fair premiums from those newly insured (**\$184 M**)
- an increased state tobacco tax of \$0.50 per pack (**\$100 M**)
- payroll contributions from employers who do not spend the minimum for employee health care established by this plan (**\$566 M**)

In addition, we will maximize matching funds from the federal government, utilize existing program funding for the uninsured to keep payroll contributions lower over time, and capitalize on savings from our prescription drug buying pool to help fund the plan.